

**UNITED STATES BANKRUPTCY COURT
WESTERN DISTRICT OF NORTH CAROLINA
CHARLOTTE DIVISION**

IN RE:

**DESIGNLINE CORPORATION,

DEBTOR.**

**CASE NO. 13-31943
CHAPTER 11**

IN RE:

**DESIGNLINE USA, LLC,

DEBTOR.**

**CASE NO. 13-31944
CHAPTER 11
(JOINTLY ADMINISTERED)**

**MOTION FOR AN EMERGENCY HEARING ON AUCTION AND BIDDING
PROCEDURES ON SHORTENED NOTICE**

Come now the Debtors and hereby request that the Court schedule an emergency or expedited hearing on less than fourteen (14) days notice on the following motion (the "Motion") filed simultaneously herewith:

Motion of Debtors for Entry of an Order (I) Approving Auction and Bidding Procedures in Connection with the Sale of Substantially all of the Debtors' Assets, (II) Authorizing, but not Requiring, Entry into a Stalking Horse Agreement & Approving Stalking Horse Protections, (III) Approving Procedures Related to the Assumption and Assignment of Executory Contracts and Unexpired Leases, (IV) Scheduling Auction and Sale Approval Hearing, and (V) Approving the Form and Manner of the Sale Notice

In support of the Emergency Hearing Motion, the Debtors respectfully represent as follows:

1. On August 15, 2013, Chapter 11 petitions were filed by the Debtors.
2. On August 28, 2013, the Court entered an Order Directing the Joint Administration of Related Chapter 11 Cases.
3. Katie Goodman of GGG Partners, LLC is serving as the chief restructuring officer

(“CRO”) of the Debtors.

4. An Official Committee of Unsecured Creditors was appointed on August 27, 2013 (the “Committee”).

5. On August 27, 2013, the Debtors filed a Motion seeking interim and final orders allowing debtor-in-possession financing. On September 13, 2013, the Court entered an order approving interim financing of \$500,000, and the Debtors are seeking a maximum of \$1.5 million which will be used to fund basic operational expenses and chapter 11 costs to accomplish a sale of the Debtors' assets. A hearing on the Debtors' request for a final order is set for October 1, 2013. The Debtors' CRO and active credit constituents believe that a sale in chapter 11 will generate more value than a sale in a chapter 7 case, but time is of the essence to begin a sale procedure.

6. The CRO has prepared a pro forma budget that reflects that the \$1.5 million debtor-in-possession financing will not support the Debtors' efforts after October, 2013 unless additional financing is provided.

7. The CRO and the active creditor constituents believe that the interests of the estates and creditors in this case will be harmed if the Motion is not heard on an expedited basis, and propose that the hearing be heard on **Tuesday, October 1, 2013 at 9:30 a.m.** at the United States Bankruptcy Court, Jonas Federal Building, 401 West Trade Street, Charlotte, North Carolina (the “Proposed Hearing Date”) or such other time at the Court’s earliest convenience.

8. Because many professionals involved in this case will be in attendance at the final hearing on the debtor-in-possession financing on October 1, 2013, it will be very efficient for the Motion to be heard at the same time. The Committee and counsel for the Cyrus Entities support shortened notice.

9. For the reasons set forth above, the Debtors believe an emergency hearing should be granted on the Motion at the time proposed above or such other time as the Court directs.

10. The Debtors propose that on or before **5:00 p.m. prevailing Eastern Time on the day after the Court's entry of this Order**, counsel for the Debtors shall serve a copy of the Motion (if not previously served) and this Order by hand delivery, electronic mail, facsimile (receipt confirmed), or overnight delivery on (1) the Office of the United States Bankruptcy Administrator for the Western District of North Carolina; (2) those persons who have formally appeared in the Chapter 11 case and requested service pursuant to Rule 2002 of the Bankruptcy Rules; (3) the Debtors' 20 largest unsecured creditors; (4) all applicable government agencies to the extent required by the Bankruptcy Rules and the Local Rules; and (5) any other parties to whom notice should be provided including secured creditors and parties to any executory contracts or unexpired leases.

11. The Debtors further request that any objections to the Motion be filed with the Court no later than September 30, 2013 at 5 p.m. and served by that time upon counsel for the Debtor at the address shown below.

WHEREFORE, the Debtors respectfully request that this Court enter an Order granting an emergency hearing on the Motion as set forth herein and such other and further relief as is just and appropriate.

Dated: September 25, 2013

NELSON MULLINS RILEY & SCARBOROUGH LLP

/s/ Terri L. Gardner

Terri L. Gardner

State Bar No. 9809

4140 Parklake Avenue, Suite 200

Raleigh, NC 27612

Telephone: (919) 329-3882

Facsimile: (919) 329-3799

terri.gardner@nelsonmullins.com

Proposed Attorneys to the Debtors and Debtors in Possession